

**AGREEMENT TO MAKE PAYMENTS IN LIEU OF TAXES
TO THE TOWN OF BROOKLINE**

AGREEMENT made as of the ____ day of May 2014, by and between **BEAVER COUNTRY DAY SCHOOL** ("the School"), a non-profit, educational corporation duly organized under the laws of the Commonwealth of Massachusetts having a usual place of business at 791 Hammond Street, Brookline, Massachusetts, and the **TOWN OF BROOKLINE, Massachusetts** (the "Town"), acting by and through its Board of Selectmen, having a usual place of business at 333 Washington Street, Brookline, Massachusetts.

WHEREAS, the School, while exempt from obligations to pay property taxes with respect to certain categories of properties, recognizes the desirability of making voluntary contributions to the Town in the form of payments in lieu of taxes; and

WHEREAS, the School and the Town acknowledge and agree that real and personal property owned by the School which is now, or in the future may be, entitled to exemption from taxation, shall continue to be so entitled, subject to applicable law relative to exemption from property taxation; and

WHEREAS, the School, while entitled to exemption from obligations to pay local real and personal property taxes on its property pursuant to Massachusetts General Laws c. 59, § 5, Clause Third, recognizes that the presence of School properties in the Town of Brookline requires the Town to furnish municipal services, such as police, fire, and street maintenance, and, as part of the community benefits provided by the School, desires to make certain voluntary payments to the Town in the form of a payment in lieu of taxes ("PILOT").

NOW, THEREFORE, the parties hereby agree as follows:

Term and Financial Provisions

1. The term of this PILOT Agreement shall be for twenty-five (25) years, beginning on July 1, 2014 and ending on June 30, 2039.
2. Beginning with the fiscal year starting July 1, 2014 (FY 2015) and for the term of this Agreement, the School shall make an annual PILOT payment to the Town of Brookline in an amount calculated as set forth herein and shown on Table A, attached hereto and incorporated herein by reference. Each annual payment shall be due and payable in four (4) equal quarterly installments, which shall be due on August 1, November 1, February 1, and May 1 of each year during the term of this Agreement, upon the conditions set forth below.
3. In the event that an additional parcel is added to the School's existing property or an additional building is constructed on such property after the effective date of this Agreement, the schedule of PILOT payments will be adjusted accordingly.

4. The value of the property during the term of this Agreement shall be based upon FY 2014 levels.
5. Either party may opt out of this PILOT Agreement with at least one (1) year written notice to the other party. Should the School exercise this option, the amount due the Town under this PILOT Agreement shall be prorated to the date of termination and payable within thirty (30) days of such termination.
6. This Agreement contemplates the existence of community services that are currently exchanged between the Parties, including the Town and School's mutual use of the other's athletic fields and recreational facilities, and the School's access to the Town's purchase consortiums for oil, services and certain contractual services, under the existing terms and conditions of such contracts. Should the School and the Town mutually agree to develop additional School sponsored and administered community services in the future that benefit the Brookline community, the School's cost for providing said services will reduce the annual PILOT payment obligation. Should the School and the Town mutually agree to develop Town sponsored and administered services in the future that benefit the School, the Town's cost for providing said services will increase the annual PILOT payment obligation.

General Provisions

1. No PILOT payments shall be required hereunder for any property for which the School is subject to full real estate taxes.
2. It is the intention of the Town, through its Board of Assessors, to recognize The property owned by the School as exempt pursuant to M.G.L. c.59, Sec 5, Clause Third in future fiscal years, so long as such determination is consistent with all applicable laws and the School has complied with all prerequisites, including but not limited to, the timely filing of Form 3ABC with the Assessing Department for each fiscal year.
3. In the event that a tax bill is issued for any property owned by the School, and the School believes such property or portion thereof is either exempt from taxation or overvalued, the School must take any and all steps required by law in order to preserve its rights to an abatement or reclassification. In the event the School is required to make a tax payment on property which is the subject of this Agreement, the Town will credit that tax payment against the amount of the PILOT payment due under this Agreement in each fiscal year in which the Town receives the tax payment.
4. If the Commonwealth of Massachusetts hereafter reimburses the Town for property taxes lost as a result of exemptions and said reimbursement is based in part on valuation of property held by the School which is the subject of this Agreement, there shall be a prorated reduction of the PILOT amounts payable thereafter under this Agreement. Such reduction shall be in an amount equal to the percentage which the valuation of the School property under this Agreement constitutes of the valuation of all exempt buildings on which the reimbursement is based. Such reduction shall be credited against the PILOT payment due under

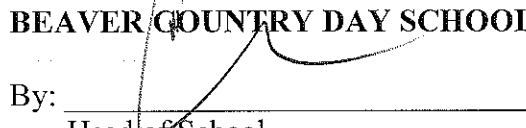
this Agreement in each fiscal year in which the Town actually receives the state reimbursement.

5. Nothing in this Agreement shall be construed as a waiver by the School of its right to seek abatement of taxes on the grounds of overvaluation, misclassification, disproportionate assessment and/or illegality, nor, except as expressly provided in this Agreement, shall it be construed as a waiver by the School of its right to seek abatement of taxes on the ground of exemption.
6. If at any time during the term of this Agreement there is a change in the present property tax structure of the Commonwealth of Massachusetts or of the Town of Brookline, including, without limitation, an amendment of Chapter 59 of the General Laws of Massachusetts, or if there is enacted a general or special law of the Commonwealth of Massachusetts or a Town By-Law seeking to impose local real estate or personal property taxes or payments in lieu of taxes, or any other new taxes, fees, excises, rates, or charges applicable to the School property in the Town of Brookline which materially influence this Agreement, then either party may terminate this Agreement upon written notice to the other party.
7. This Agreement shall not apply to the personal property of the School or to property not subject to M.G.L c. 59.
8. This Agreement shall supersede and replace all previous agreements between the parties pertaining to any PILOT payments.
9. The undersigned represent and warrant that they have the right, capacity and all necessary authority to execute and deliver this Agreement on behalf of the respective party for whom they have signed, and represent and warrant that such party has not sold, assigned or transferred to any person or entity any of the property referred to above.

[SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed as a sealed instrument by its officers duly authorized as of the day and year first above written.

BEAVER COUNTRY DAY SCHOOL

By: 
Head of School

TOWN OF BROOKLINE

By its Board of Selectmen:

Approved as to form:


Joslin H. Murphy, Town Counsel

SCHEDULE A

<u>FY</u>	<u>PILOT Payments</u>
2015	\$14,041.00
2016	\$22,736.93
2017	\$29,611.49
2018	\$36,470.07
2019	\$43,312.25
2020	\$50,137.64
2021	\$56,945.81
2022	\$63,736.33
2023	\$70,508.76
2024	\$77,262.65
2025	\$83,997.53
2026	\$90,712.93
2027	\$97,408.36
2028	\$104,083.32
2029	\$110,737.31
2030	\$117,369.79
2031	\$123,980.22
2032	\$130,568.07
2033	\$137,132.76
2034	\$143,673.71
2035	\$150,190.33
2036	\$156,682.02
2037	\$163,148.14
2038	\$169,588.06
2039	\$176,001.12

(Beginning in FY2040, an inflation factor of 2.5% will be added)